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VIA ECF

The Honorable Lewis A. Kaplan
United States District Court
Southern District of New York
United States Courthouse
500 Pearl Street
New York, New York 10007

Re: *United States v. Samuel Bankman-Fried*, S6 22 Cr. 673 (LAK)

Dear Judge Kaplan:

On behalf of our client, Samuel Bankman-Fried, we respectfully submit the enclosed Amended Expert Disclosure of Joseph M. Pimbley, Ph.D., pursuant to Fed. R. Crim P. 16 and this Court's order of September 21, 2023, ECF No. 287.

The Court granted the Government's motion *in limine* to exclude Dr. Pimbley's testimony on the basis of his initial expert disclosure, ECF No. 236 at 15-18 & Ex. D, "without prejudice to the defendant seeking to call Dr. Pimbley to respond to a government witness." ECF No. 287 at 3 ¶ 4. The Court further ruled that the defense "may do so only if [the defense] has filed a complete Rule 16 disclosure for Dr. Pimbley at least three days prior to the date of his proposed testimony." *Id.*

As set forth in the enclosed Amended Expert Disclosure, Dr. Pimbley will testify to his opinion, based on data extracted from FTX's database, that: (i) usage by Alameda Research ("Alameda") of its line of credit fluctuated between approximately \$1 billion and \$3 billion between October 2021 and September of 2022 and decreased for a substantial portion of June 2022; and (ii) the majority of balances for non-Alameda, non-FTX users (*i.e.*, accounts excluding Alameda's accounts and FTX's own accounts) are concentrated in just four coins (USD, BTC, ETH, and USDT) relative to the hundreds of coins defined within the FTX database, and more than 75% of non-Alameda, non-FTX balances arise from accounts that have spot margin enabled, spot margin lending enabled, or show futures activity.

Dr. Pimbley's expert testimony on these subjects will respond to testimony provided by several of the Government's witnesses regarding Alameda's line of credit and regarding use by FTX customers of spot margin. Specifically, Dr. Pimbley's testimony will respond to testimony by Caroline Ellison that Alameda had "an essentially unlimited line of credit on FTX," that as of

mid-2022 Alameda had borrowed around \$3 billion through the line of credit, that Alameda subsequently repaid “in the range of \$5 to \$10 billion” to third parties between June and August 2022 using its line of credit, and that Alameda’s draw-downs on its line of credit would cause its borrowing on the line of credit to increase. Trial Tr. 644:21-22, 658:15-25, 669:17-25, 733:4-15, 736:4-6, 765:16-23, 769:7-10, 770:1-24, 1066:2-21. Dr. Pimbley’s testimony will also respond to testimony provided by the Government’s witness Gary Wang that in “late 2021,” Alameda had borrowed “around \$3 billion” from its line of credit. Trial Tr. 397:7-18, 400:3-9.

Dr. Pimbley’s testimony will also respond to testimony provided by the Government’s witness Professor Peter Easton that Alameda had a “borrowing limit” of “a bit more than \$65 billion,” and that Alameda’s negative balance on FTX cannot be explained by borrowing through spot margin. Trial Tr. 1760:16-1761:3, 1775:8-11.

Finally, Dr. Pimbley’s testimony will also respond to testimony by Gary Wang, Nishad Singh, and Adam Yedidia regarding customer use of spot margin and futures trading features. For example, Dr. Pimbley’s testimony will provide additional context to Mr. Yedidia’s testimony that “the futures markets had more volume than the spot markets,” Trial Tr. 143:1-2, and Mr. Singh’s testimony regarding the collateral requirements to participate in futures trading. Trial Tr. 1385:10-1386:23. Dr. Pimbley’s testimony will respond to Mr. Wang’s testimony that all customers did not do spot-margin lending and borrowing, Trial Tr. 382:17-18, and Mr. Wang’s testimony that the “most amount of money that was ever available to be borrowed in the margin lending system” was “around \$2 billion.” Trial Tr. 389:12-16.

Respectfully submitted,

/s/ Mark S. Cohen
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Enclosure

cc: All counsel of record (via ECF)